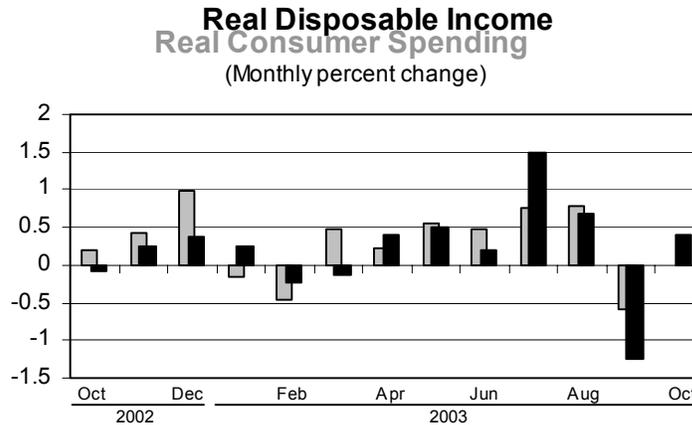




## INCOME UP, CONSUMER SPENDING FLAT IN OCTOBER

Disposable income increased in October 2003 and consumer spending was virtually unchanged, according to estimates released today by the U.S. Bureau of Economic Analysis. In September, both series had posted sizable decreases.



Real disposable personal income—after-tax income, adjusted for inflation—increased 0.4 percent.

- October's increase is the same as the average rate of increase over the past six months. In July, August and September, income growth partly reflected the pattern of advance payments of child tax credits that were mandated by last spring's tax act.

Real consumer spending increased less than 0.1 percent.

- Increased purchases of many types of goods and services were offset by decreased purchases of big-ticket items—most notably, motor vehicles.

Since October of last year, real disposable personal income and consumer spending have increased 3.0 percent and 3.6 percent, respectively.

Saving absorbed 3.3 percent of disposable income in October, up from 3.0 percent in September.

In October, personal income—the total income received by individuals, before taxes—increased 0.4 percent; in September, it had increased 0.3 percent. ("Personal income" is *not* adjusted to remove the effects of inflation.)

- The October increase was largely accounted for by wages, proprietors' incomes, and rental income; in September, transfer payments had also been a principal contributor to the increase.

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BEA's data—including GDP, personal income, the balance of payments, foreign direct investment, the input-output accounts, and economic data for states and industries—are available on the BEA Web site: <[www.bea.gov](http://www.bea.gov)>.

NOTE: Estimates of personal income and outlays for November will be released December 23, along with revised estimates for October. Estimates for earlier months will be revised as part of the upcoming comprehensive revision to the national income and product accounts. Initial results of that revision will be released on December 10; monthly estimates for personal income and personal consumption expenditures will be released December 15.

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